

**SECRET**

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26 October 1967

MEMORANDUM FOR: [REDACTED]

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SUBJECT : Comment [REDACTED] for Special Study Group

1. [REDACTED] and his people reviewed the proposed terms of reference for the Special State-Defense Study Group paper on Latin America. The list of topics seems to us to be relevant and comprehensive, and the approach of the paper is appropriate to its purpose.

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2. We would like to stress the usefulness of relating economic policies and institutions in Latin America to the problems and prospects for economic development. It would therefore seem desirable for Section 6 on Economic Potential to consider not only the countries' domestic resources and policies but also the economic systems that the governments must work with or somehow try to reform.

3. The potential roles of the Soviet Union, Communist China, and Cuba -- which it is said will be given particular attention -- deserve study but should not be given an exaggerated importance. Fending off Communist influence in the area perhaps raises fewer problems for US policy than such matters as promoting political stability, social reform, and disciplined economic development programs.

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[REDACTED]  
Acting Director  
Economic Research

Attachment  
(Return of Basic papers)

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